



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/760,226	01/12/2001	Michael D. Levison	CVC 100	1727

7590 07/30/2004
ARNALL GOLDEN & GREGORY
1201 WEST PEACHTREE STREET
2800 ONE ATLANTIC CENTER
ATLANTA, GA 30309

EXAMINER	
KALINOWSKI, ALEXANDER G	
ART UNIT	PAPER NUMBER
3626	

DATE MAILED: 07/30/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

BEST AVAILABLE COPY

BEST AVAILABLE COPY

Office Action Summary

Application No.

09/760,226

Applicant(s)

LEVISON, MICHAEL D.

Examiner

Alexander Kalinowski

Art Unit

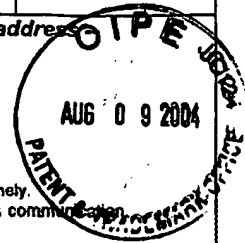
3626

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address.

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).



Status

- 1) ☒ Responsive to communication(s) filed on 12 January 2001.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-24 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-24 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

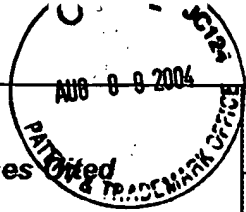
- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date <u>3/27/2001</u> . | 6) <input type="checkbox"/> Other: _____ |

Notice of References Cited



Application/Control No. 09/760,226		Applicant(s)/Patent Under Reexamination LEVISON, MICHAEL D.	
Examiner Alexander Kalinowski		Art Unit 3626	Page 1 of 1

U.S. PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Name	Classification
	A	US-6,347,302	02-2002	Joao, Raymond Anthony	705/4
	B	US-			
	C	US-			
	D	US-			
	E	US-			
	F	US-			
	G	US-			
	H	US-			
	I	US-			
	J	US-			
	K	US-			
	L	US-			
	M	US-			

FOREIGN PATENT DOCUMENTS

*		Document Number Country Code-Number-Kind Code	Date MM-YYYY	Country	Name	Classification
	N					
	O					
	P					
	Q					
	R					
	S					
	T					

NON-PATENT DOCUMENTS

*		Include as applicable: Author, Title Date, Publisher, Edition or Volume, Pertinent Pages)
	U	Anonymous, "'Something Borrowed, Something Blue' and Your insurance Needs Review the internet Helps Newlyweds Save money on Insurance", PR Newswire, No. 42038457, 6/2/1999, 3 pages.
	V	Hedman, Carol J., "East PASCO AARP offers driving course, Tampa Tribune, 10/3/1999, page 2.
	W	Murray, M Christian, Web discounts are on the way", National Underwriter, 3/9/1998, Vol. 102, No. 10, pp. 19.
	X	Webb et al., "Banks in Asia beef up Retail Business - Bad Brush with Corporate Clients Spurs Shift to Consumers After Crisis", Asian Wall Street Journal, 11/5/1999, page 1.

*A copy of this reference is not being furnished with this Office action. (See MPEP § 707.05(a).)
Dates in MM-YYYY format are publication dates. Classifications may be US or foreign.

DETAILED ACTION

1. Claims 1-24 are presented for examination.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-5, 8, and 17-23 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, the instant claims fail to recite the use of any type of technology (e.g. computer system) within the recited steps of the claimed method of providing incentives or rewards for insurance policies. The recited steps constitute an idea on how to target incentives to customers who purchase insurance.

Mere intended or nominal use of a component, albeit within the technological arts, does not confer statutory subject matter to an otherwise abstract idea if the component does not apply, involve, use, or advance the underlying process.

Additionally, for a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. In the present case the claimed method recites steps for targeting rewards to users who purchase insurance.

Although the claimed invention produces a useful, concrete and tangible result, since the claimed invention as a whole is not within the technological arts, as explained above, claims 1-5, 8, 17-23 are deemed to be directed to non statutory subject matter. The Examiner suggests that Applicant include a recitation within the body of the independent claims (not just the preamble) that at least some of the steps are carried out by the use of technology (i.e. computer, server).

Claim Rejections - 35 USC § 102

3. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

4. Claims 1-13, and 16-24 are rejected under 35 U.S.C. 102(b) as being anticipated by Murray, Christian M., "Web discounts are on the way" (hereinafter Murray).

As to claims 1-8, Murray discloses A method of targeting an incentive reward to an individual conducting an activity of interest, wherein the incentive reward is an insurance coverage credit that can be used to purchase an insurance policy or pay premiums on an increment of insurance coverage (15 percent cash rebate on their first year premiums if they buy through Wholesale's Web site)(page 1).

As to claims 9-13, and 17 Murray discloses An insurance system comprising: an item selected from the group consisting of: (1) a credit to purchase insurance or pay premiums on insurance; and (2) insurance wherein the item is awarded by a first entity, and the insurance is for a second entity, wherein the insurance is against the occurrence of a potential hazard having causative factors; wherein the first entity awards the item to the second entity in order to induce the second entity to take some action, wherein the action taken has no substantial bearing on reducing the likelihood of occurrence of the causative factors; and wherein the second entity may or may not have existing insurance(15 percent cash rebate on their first year premiums if they buy through Wholesale's Web site)(page 1).

As to claim 16, 18-24, Murray discloses An insurance system comprising awarding of an item selected from the group consisting of (1) a credit to purchase an insurance policy; and (2) an insurance policy, wherein the award is made by a first entity to a second entity for reasons selected from the group consisting of: marketing promotions; encouraging the second entity to use an Internet site; purchase of a product by the second entity; lease of a tangible or intangible product by the second entity; use

of a service by the second entity (15 percent cash rebate on their first year premiums if they buy through Wholesale's Web site)(page 1).

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.

6. Claim 15 is rejected under 35 U.S.C. 102(a) as being anticipated by Webb et al, "Banks in Asia Beef up Retail Business – Bad brush with corporate Clients Spurs Shift to Consumers after Crisis" (hereinafter Webb), .

As to claim 15, Webb discloses An insurance system comprising awarding of an item to an entity for free, wherein the item is selected from the group consisting of (1) a credit to purchase insurance or pay premiums on insurance; and (2) insurance page 2, last paragraph and page 3, first paragraph).

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claim 14 is rejected under 35 U.S.C. 103(a) as being unpatentable over Murray as applied to claim 9 above, and further in view of Webb.

As to claim 14, Murray does not explicitly disclose The system of claim 9, wherein the insurance policy is awarded without charge to the second entity.

However, Webb discloses providing insurance coverage free of charge to customers (i.e. free accidental death insurance coverage)(page 2, last paragraph and page 3, first paragraph). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the aforementioned limitation as disclosed by Webb within Murray for the motivation of enticing new customers (page 2, last paragraph and page 3, first paragraph)

Conclusion

9. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

a. Pat. No. 6,347,302 discloses a method of providing lease insurance and incentives.

b. "East PASCO AARP offers driving course discloses a method of offering discounts on auto insurance.

c. "Something Borrowed, Something Blue" and your Insurance Needs Review the internet helps Newlyweds Save money on Insurance" discloses discounts provided to households that insure more than one car.

10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Alexander Kalinowski, whose telephone number is (703) 305-2398. The examiner can normally be reached on Monday to Thursday from 9:00 AM to 6:30 PM. In addition, the examiner can be reached on alternate Fridays.

Art Unit: 3626

If any attempt to reach the examiner by telephone is unsuccessful, the examiner's supervisor, Joseph Thomas, can be reached on (703) 305-9588. The fax telephone number for this group is (703) 305-7687 (for official communications including After Final communications labeled "Box AF").

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 7th Floor, receptionist.

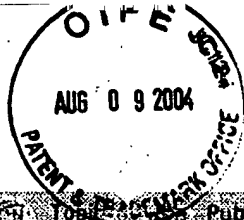


Alexander Kalinowski

Primary Examiner

Art Unit 3626

5/15/2004

[Help](#)

Basic Search Advanced Search Top Guide Publication Search Marked List: 0 articles Interface language: English

Databases selected: Multiple databases...

[What's New](#)**Article View**<< [Back to Results](#)< [Previous](#) Article 24 of 90 [Next](#) >[Publisher Information](#)[Print](#)[Email](#)☐ Mark Article[Abstract](#) [Full Text](#)**'Something Borrowed, Something Blue' and Your Insurance Needs
Review The Internet Helps Newlyweds Save Money on Insurance****PR Newswire**. New York: [Jun 2, 1999](#). pg. 1>> [Jump to full text](#) Dateline: [California](#)Publication title: [PR Newswire](#). New York: [Jun 2, 1999](#). pg. 1Source Type: [Wire feed](#)

ProQuest document ID: 42038457

Text Word Count: 462

Article URL: http://gateway.proquest.com/openurl?url_ver=Z39.88-2004&res_dat=xri:pqd&rft_val_fmt=info:ofi/fmt:kev:mtx:journal&genre=article&rft_dat=xri:pqd:did=000**Abstract (Article Summary)**

According to the Insurance Information Institute (I.I.I.), newlyweds may save nearly 15% on their insurance premiums by combining renters and auto insurance to one policy with a single carrier. Most insurance companies provide further discounts if a household has more than one car insured with them.

"It's important to develop a strategy for your household finances early in married life," said Jayna Neagle, from the I.I.I. (www.iii.org). "The Internet is a great tool for newlyweds learning about their insurance needs. Online resources help organize your personal finances in order to build a foundation for family planning and future life events."

InsWeb.com offers the ability to shop for auto insurance, homeowners and renters insurance, term life, individual health and short-term medical insurance. Newlyweds can also use the site's interactive tools and tips to learn more about their coverage decisions and individual needs. [InsWeb](#) proposes a few suggestions when re-evaluating insurance:

Full Text (462 words)

Copyright PR Newswire - NY Jun 2, 1999

REDWOOD CITY, Calif., June 2 /PRNewswire/ -- The honeymoon is over and the wedding bills are paid. Now what? Starting a life together means saving money and for newlyweds, focusing on insurance can guarantee a worry-free future.

(Photo: <http://www.newscom.com/cgi-bin/prnh/19990521/INSWEBLOGO>)

The Internet is helping newlyweds simplify the complex task of managing their family finances by enabling them to do everything from balancing checkbooks, hunting for a new home and finding the right insurance.

According to the Insurance Information Institute (I.I.I.), newlyweds may save nearly 15% on their insurance premiums by combining renters and auto insurance to one policy with a single carrier. Most insurance companies

provide further discounts if a household has more than one car insured with them.

"It's important to develop a strategy for your household finances early in married life," said Jayna Neagle, from the I.I.I. (www.iii.org). "The Internet is a great tool for newlyweds learning about their insurance needs. Online resources help organize your personal finances in order to build a foundation for family planning and future life events."

InsWeb.com offers the ability to shop for auto insurance, homeowners and renters insurance, term life, individual health and short-term medical insurance. Newlyweds can also use the site's interactive tools and tips to learn more about their coverage decisions and individual needs. InsWeb proposes a few suggestions when re-evaluating insurance:

Insurance Checklist of "I Do's and Do Not's" for Newlyweds

- * Do consider insurance as part of your personal finance portfolio.

Consult with a financial planner when you have questions.

- * Do compare prices and shop-around. Be careful of purchasing the first 'deal' you find.

- * Don't assume you know what your insurance covers. Ask questions and know what you need and/or want.

- * Do recognize that insurance requirements change during a lifetime.

Analyze needs on your anniversary or after a significant life- event such as having a baby.

- * Do discuss consolidating auto insurance and health insurance policies for the both of you.

- * Don't forget to include an uninsured motorist clause in your auto-insurance policy.

- * Do consider disability insurance. It's a great, low-cost way to protect your family.

- * Do maximize liability coverage, if possible.

- * Do review existing policies and coverage levels when moving. Relocating to a new zip code can affect auto-insurance rates and coverage.

- * Do consider homeowners/renters insurance for your belongings, which includes wedding rings!

By completing a single form at InsWeb.com, a free and unbiased insurance marketplace, consumers can get multiple comparative quotes from well-recognized insurance companies, such as State Farm, Nationwide, The Hartford, and CNA.

For more information and tips on your basic insurance needs, visit (<http://www.insweb.com>), Yahoo's Insurance Center (<http://insurance.yahoo.com/>) and Infoseek's auto insurance center (<http://infoseek.com>). SOURCE InsWeb Corporation

[Reference]

Industry: INSURANCE; INTERNET MULTIMEDIA ONLINE

[^ Back to Top](#)

[<< Back to Results](#)

[< Previous](#) Article 24 of 90 [Next >](#)

[Publisher Information](#)



☐ Mark Article

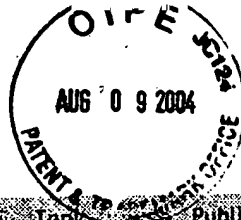
[Abstract](#) , [Full Text](#)

Copyright © 2004 ProQuest Information and Learning Company. All rights reserved. [Terms and Conditions](#)

[Text-only interface](#)

From: ProQuest

ProQuest

[Help](#)

Basic Search Advanced Search Topic Guide Publication Search Marked List 0 articles Interface language: English

Databases selected: Multiple databases...

[What's New](#)**Article View**[<< Back to Results](#)[< Previous](#) Article 10 of 90 [Next >](#)[Publisher Information](#)[Print](#)[Email](#)☐ Mark Article[Abstract](#), [Full Text](#)**EAST PASCO AARP offers driving course:[FINAL Edition]***Carol J. Hedman. Tampa Tribune. Tampa, Fla.: Oct 3, 1999. pg. 2*[» Jump to full text](#)

People: [Falcone, Singer Susan](#)
 Author(s): [Carol J. Hedman](#)
 Column Name: [NEIGHBORS](#)
 Section: [PASCO](#)
 Publication title: [Tampa Tribune. Tampa, Fla.: Oct 3, 1999. pg. 2](#)
 Source Type: Newspaper
 ProQuest document ID: 45307823
 Text Word Count: 622
 Article URL: http://gateway.proquest.com/openurl?url_ver=Z39.88-2004&res_dat=xri:pqd&rft_val_fmt=info:ofi/fmt:kev:mtx:journal&genre=article&rft_dat=xri:pqd:did=000

More Like This [»Show Options for finding similar articles](#)**Abstract (Article Summary)**

The **AARP 55 Alive Mature Driving Course** will be presented from 9 a.m. to 1 p.m. Tuesday and Thursday at the Zephyrhills Senior Center at 4645 Airport Road.

Internet course:Internet Basics, a program offering an introduction to the Internet, will be held at 7 p.m. Monday at the New River Branch Library at 34043 State Road 54 in Zephyrhills.

Tea party:Area women are invited to a tea party to be hosted by the East Pasco Christian Women's Club from 11 a.m. to 1 p.m. Oct. 13 at Scotland Yards Golf Club on Wire Road in Zephyrhills.

Full Text (622 words)

Copyright Tampa Tribune Company Oct 3, 1999

The **AARP 55 Alive Mature Driving Course** will be presented from 9 a.m. to 1 p.m. Tuesday and Thursday at the Zephyrhills Senior Center at 4645 Airport Road.

All persons 60 and older are eligible to attend to learn how to fine tune driving skills and earn discounts on most auto insurance policies. The cost is \$8 per person and is payable by check.

To sign up for classes, call Frank Fatta, volunteer instructor, (813) 783-3901. Seating is limited and early registration is advised. The course will be offered on the first Tuesday and Thursday of each month at the center.

Internet course:Internet Basics, a program offering an introduction to the Internet, will be held at 7 p.m. Monday at the New River Branch Library at 34043 State Road 54 in Zephyrhills.

The library will also feature a craft program on glass etching by Phyllis Fields at 10:30 a.m. Tuesday.

Tea party: Area women are invited to a tea party to be hosted by the East Pasco Christian Women's Club from 11 a.m. to 1 p.m. Oct. 13 at Scotland Yards Golf Club on Wire Road in Zephyrhills.

Cathy Hayter, who has a tea room in Dade City, will give tips on how to have "proper" tea. Ruthann Kleinhaus of Zephyrhills will supply music. Romona Pendle of Gainesville will be the guest speaker.

Those attending can wear hats and gloves in keeping with the theme. The cost of the lunch is \$10 per person.

Reservations are required by Monday by calling (813) 788-1203.

Catholic Women's Club: The St. Anthony of Padua Catholic Women's Club will meet at 7:15 p.m. Monday at the Parish Center. All women of the parish are invited to attend. Included will be plans for the Halloween carnival to be held Oct. 30.

WEST PASCO

2nd Amendment GOP club meeting

Diane Loebel

County Commissioner Ann Hildebrand will be the guest speaker at the 7 p.m. Monday meeting of the Second Amendment Republican Club of Pasco County at Kally K's Restaurant at 5622 U.S. 19 in New Port Richey.

The club recently began holding monthly East Pasco Projects Committee meetings in Dade City.

For information, call Ann Bunting at (727) 862-1063.

Line dancing: Line dancing resumes at 10:30 a.m. Monday at the T.A.T. Civic Association after a summer break.

Instructor Lila Grim leads with a waltz beat, polka time, western flavor, easy two steps, Latin tango, rumba and cha-cha.

Admission is \$2. The clubhouse is at 3210 Darlington Road in Holiday. For information, call (727) 938-5217.

JCC singer: Singer Susan Falcone will entertain at 8 p.m. Monday at the Jewish Community Center at 9841 Scenic Drive in Port Richey.

Falcone has performed at Lincoln Center in New York City and locally at the Show Palace. She has appeared in productions of "Brigadoon," "Oklahoma," "Showboat," "Guys & Dolls" and "Fiddler on the Roof." In addition to singing she does tap and jazz dance routines.

Appearing with Falcone will be pianist Debra Pagliano, who holds a master's degree in music and piano from the University of South Florida. She has appeared in "Broadway to Pop" and "Love Notes."

Admission is \$2.

VETERANS

VFW auxiliary collects teddy bears

Katie Robinson

VFW Post 10167 Ladies Auxiliary, 4619 Bartelt Road in Holiday, will collect teddy bears and other stuffed animals

to donate to the sheriff's office and the fire department to give to children who have been in a fire or accident. A child can cuddle and talk to a bear and get almost instant relief because the bear will talk only to them.

The stuffed animals will be given during "Make a Difference Day," Oct. 23 and may be left at the post up to Oct. 15.

For more information, call President Minna Chamberlain at (727) 937-6139.

[Illustration]

3

[^ Back to Top](#)

[<< Back to Results](#)

[< Previous Article 10 of 90](#) [Next >](#)

[Publisher Information](#)

[Print](#)

[Email](#)

☐ Mark Article

[Abstract](#), [Full Text](#)

Copyright © 2004 ProQuest Information and Learning Company. All rights reserved. [Terms and Conditions](#)

[Text-only interface](#)

From: ProQuest

[Help](#)

Basic Search Advanced Search Topic Guide Publication Search Marked List 0 articles Interface language: English

Databases selected: Multiple databases...

[What's New](#)**Article View**[<< Back to Results](#)[< Previous](#) Article 52 of 90 [Next >](#)[Publisher Information](#)[Print](#)[Email](#)☐ Mark Article[Abstract](#), [Full Text](#), [Page Image - PDF](#)**Web discounts are on the way**

M Christian Murray. National Underwriter. (Life, health/financial services ed.). Erlanger: Mar 9, 1998. Vol. 102, Iss. 10; pg. 19, 2 pgs

[>> Jump to full text](#)

Subjects: Electronic commerce, Discounts, Insurance agents & brokers, Distribution channels
Classification Codes: 9190 US, 7400 Distribution, 8200 Insurance industry
Locations: US
Author(s): M Christian Murray
Publication title: National Underwriter. (Life, health/financial services ed.). Erlanger: Mar 9, 1998. Vol. 102, Iss. 10; pg
Source Type: Periodical
ISSN/ISBN: 08938202
ProQuest document ID: 27496879
Text Word Count: 900
Article URL: http://gateway.proquest.com/openurl?url_ver=Z39.88-2004&res_dat=xri:pqd&rft_val_fmt=info:ofi/fmt:kev:mtx:journal&genre=article&rft_dat=xri:pqd:did=000

[More Like This](#) [>> Show Options for finding similar articles](#)**Abstract (Article Summary)**

While some insurance agents offer Internet discounts in recognition of the lower distribution expenses, others do not. Darrell Ticehurst of Insweb Corp. says that there is a strong likelihood in the future that Web consumers will receive discounts for purchases, but that current distribution cost savings are not being passed on because the volume of Web sales is not large.

Full Text (900 words)

Copyright National Underwriter Company Mar 9, 1998

Tommy Lane, an insurance agent in Gainesville, Fla., is providing consumers who buy term insurance through his company's Web site with an "Internet discount" in recognition of the lower distribution expenses associated with Internet purchases.

Mr. Lane, president of Wholesale Life Insurance, introduced a quote service approximately one year ago that provides consumers with a 15 percent cash rebate on their first year premiums if they buy through Wholesale Life's Web site (www.no-agent.com).

"As far as I know we are the only quote service to offer low premiums and cash back," said Mr. Lane. The rationale behind the discount is that the site helps consumers avoid contact with up to four layers of management in the sales process. Since that lowers administrative costs, consumers are rewarded for using a less expensive distribution channel.

<http://proquest.umi.com/pqdweb?index=51&did=000000027496879&SrchMode=1&sid=4&...> 6/18/04

But Daniel Wager, president of QuickQuote (<http://QuickQuote.com>) in Lake Tahoe, Nev., who acknowledged the lower distribution costs with Web commerce, is reluctant to provide such a discount. "Our legal staff considers rebating to be illegal in most states," he said.

By and large, industry observers agree that, to date, consumers are not receiving discounts or rebates (directly) for buying insurance over the Web. "Most of the major states have anti-discrimination rules," said Darrell Ticehurst, president of Insweb Corp. (www.insweb.com) in San Mateo, Calif. Under those rules, companies are required to sell a policy at one standard price, no matter the distribution channel, he added.

Mr. Ticehurst said there is a strong likelihood in the future that Web consumers will receive discounts for Web purchases. "We could be talking about a 15-20 percent premium price reduction in the future for Web sales," he said, because of reduced marketing costs and greater administration efficiencies.

Currently, the distribution cost savings are not directly being passed onto the consumer, Mr. Ticehurst noted. Although insurance companies are benefiting from the reduced distribution costs, he said, they are not reaping huge profits just yet, since the volume of sales over the Web is not that large.

"We are still early in the Internet cycle," Mr. Ticehurst explained. He added that over the next 18 months, consumers may start to receive direct benefits associated with cost savings. "My gut feeling is that regulators will see the cost savings and will insist that part of the saving be passed onto the consumer.

But Mr. Wager said insurance companies are indirectly passing on some cost savings to the Web consumer through the creation of low-load commission products. By creating low-load products, which are filed with states and are sold at a given price (thereby meeting anti-discrimination requirements), premiums tend to be less, he said.

Approximately 10 percent of carriers sell low-load products, Mr. Wager observed. Lower commission products, with 40 percent loads (compared to 80-100 percent on traditional policies), usually have premiums that are 10-15 percent less than the traditional load product, he noted.

"Many traditional agents cannot afford the 40 percent (commission) structure, however, we can," Mr. Wager said. Although QuickQuote acts as an agent, receiving commissions from sales, its online instant quotation service differentiates the company from traditional agencies. Because QuickQuote does not have to spend money on marketing (as consumers go directly to the company's Web site), and it sells a high volume of policies, it can afford to sell low-load products, he added.

Quickquote, welcomes companies such as Jackson National Life that provide low-commission schedules, Mr. Wager said. "We encourage low-load products, because it will increase our volume and differentiate our service from traditional distribution channels."

Steven Aldrich, president of Intuit's Interactive Insurance Services (www.insuremarket.com) in Alexandria, Va., has also seen some signs of indirect cost savings being passed on to the consumer. Many policies that do not require the services of an agent have expense ratios that are between 5-15 percent lower than traditional agent-distributed products, he said.

National Underwriter found one company, Reliance Direct, part of the Reliance Standard Life Ins. in Philadelphia, that provides a direct discount back to the consumer.

The company introduced an auto policy late last year that provides a \$50 discount for purchasers who buy the product over the Web. The product is in the test phase, and is only available in three states. According to a company spokesman, Reliance Direct was unable to provide the discount in many states, such as New York, because of anti-discrimination laws.

However, customers of Wholesale Life are able to receive an Internet discount in most states, said Mr. Lane. This is because the 15 percent discount is not paid by Wholesale Life or the insurance company providing the policy, but by Southern Financial Network (SFN), the parent company of Wholesale Life.

Mr. Lane said SFN is a Web-commerce-marketing company that distributes a variety of commodity-type products over the Internet, one of which is term insurance. SFN acts like a Discover Card, he said, whereby the

rebate/discount is not paid from the manufacturer or the retailer, but by Discover Card, which is promoting the service.

Nevertheless, most providers who sell insurance over the Web believe that the consumer will start reaping the direct monetary benefits in up-coming years. Insurance selling over the Web could well follow the brokerage industry, said Mr. Aldrich, where there is the clear distinction between full service and discount brokers. For example, the consumer pays extra for advice with some product sales, while with direct sales the cost savings are passed back to the consumer.

[^ Back to Top](#)[« Back to Results](#)[< Previous Article 52 of 90 Next >](#)[Publisher Information](#)[Print](#)[Email](#)☐ Mark Article[Abstract](#), [Full Text](#), [Page Image - PDF](#)

Copyright © 2004 ProQuest Information and Learning Company. All rights reserved. [Terms and Conditions](#)

[Text-only interface](#)

From: ProQuest

ProQuest

[Help](#)

Basic Search Advanced Search Topic Guide Publication Search Marked List : 0 articles Interface language: English

Databases selected: Multiple databases...

[What's New](#)**Article View**[<< Back to Results](#)[< Previous Article 10 of 107 Next >](#)[Publisher Information](#)

Print

Email

☐ Mark Article

Abstract Full Text

THE ASIAN WALL STREET JOURNAL.**Banks in Asia Beef Up Retail Business --- Bad Brush With Corporate Clients Spurs Shift to Consumers After Crisis**

By staff reporters Sara Webb in Singapore and Cris Prystay and Montira Narkvichien in Bangkok. Asian Wall Street Journal. New York, N.Y.: Nov 5, 1999. pg. 1

[» Jump to full text](#)

Author(s): By staff reporters Sara Webb in Singapore and Cris Prystay and Montira Narkvichien in Bangkok
Publication title: Asian Wall Street Journal. New York, N.Y.: Nov 5, 1999. pg. 1
Source Type: Newspaper
ISSN/ISBN: 03779920
ProQuest document ID: 46095008
Text Word Count 970
Article URL: http://gateway.proquest.com/openurl?url_ver=Z39.88-2004&res_dat=xri:pqd&rft_val_fmt=info:ofi/fmt:kev:mtx:journal&genre=article&rft_dat=xri:pqd:did=000

More Like This [» Show Options for finding similar articles](#)**Abstract (Article Summary)**

Retail customers did better in most places than companies at paying back loans during the Asian financial crisis, and generally they provide banks with a more predictable source of earnings. In the wake of the crisis, banks see retail customers as an increasingly important way to generate fees and profits.

– In Singapore, where the property market remains depressed, despite a pickup in the economy, local banks are competing fiercely for mortgage business – and for the refinancing of existing mortgages – with offers of low-rate home loans. Their strategy? To entice new customers into the bank branch, where in addition to mortgages, they may be sold insurance, credit cards, mutual funds and other products.

– Banks are putting more emphasis on fee-generating products. The Development Bank of Singapore last month announced a new credit card in conjunction with American Express. DBS already offers its customers Visa and Mastercard credit cards, but it potentially stands to make a bigger profit from the AmEx card because of higher fees.

Full Text (970 words)

Copyright Dow Jones & Company Inc Nov 5, 1999

Burned by high-flying corporate borrowers, banks in Asia are paying closer attention to that ordinary mortal, the man in the street.

Retail customers did better in most places than companies at paying back loans during the Asian financial crisis, and generally they provide banks with a more predictable source of earnings. In the wake of the crisis, banks see retail customers as an increasingly important way to generate fees and profits.

For signs of how banks are trying to woo retail customers, just look at the following recent developments:

– Some foreign banks, which benefited from a depositors' flight to quality at the height of the 1997-1998 crisis, are stepping up their retail presence in countries such as Singapore, Thailand and Indonesia.

– In Singapore, where the property market remains depressed, despite a pickup in the economy, local banks are competing fiercely for mortgage business – and for the refinancing of existing mortgages – with offers of low-rate home loans. Their strategy? To entice new customers into the bank branch, where in addition to mortgages, they may be sold insurance, credit cards, mutual funds and other products.

– Banks are putting more emphasis on fee-generating products. The Development Bank of Singapore last month announced a new credit card in conjunction with American Express. DBS already offers its customers Visa and Mastercard credit cards, but it potentially stands to make a bigger profit from the AmEx card because of higher fees.

– Banks in Singapore are beefing up their Internet-banking services in order to reduce costs and keep customers loyal by providing them with an easier way to check account balances, trade stocks online, and pay bills.

It all adds up to good news for consumers, who are getting more of everything from giveaways – such as lotteries for new cars – to convenience. Take C.H. Chan, a 29-year-old salesman in Singapore, who says he plans to start banking with DBS to take advantage of its online services. "I don't want to waste time" going down to the bank, he says.

The shift to consumers is also, the banks say, good news for them. "Consumer banking provides predictable results," says Sergio Rial, chief executive officer at ABN Amro Asia-Pacific, which has started building up retail operations in Singapore and, through majority-owned Bank of Asia, in Thailand.

Besides having shown a greater tendency than many of the region's highly indebted corporate borrowers to keep up with loan payments during the region's financial crisis, consumers usually pay higher interest rates, which means banks earn fatter margins.

The banks also want to see consumers buying a wider range of other services such as insurance, credit cards, mutual funds, which tend to generate steady, lucrative fees. That could be an important source of income at a time when there isn't much new lending to corporate clients, says Thomas Monaco, Hong Kong-based regional banking analyst at Lehman Brothers.

It isn't that retail customers have necessarily been ignored in the past. For some foreign banks, such as ABN Amro, the closer focus on retail customers in Asia is new. But while many other banks had retail accounts, they used to view the region's big companies as the most desirable customers because of their appetite – prior to the crisis – for big loans.

Consider Bank of Asia, in which ABN Amro acquired a 75% stake in 1998. Like most Thai banks, it earned virtually all of its revenue from corporate lending before the crisis. Now it aims to derive about half of its revenue from consumer business within five years, says David Hendrix, the bank's executive vice president for consumer banking.

By comparison, at Citibank world-wide, consumer banking accounts for about the same proportion of revenue as corporate and investment banking.

To meet its target, Bank of Asia is reaching out to the consumer in a big way: The bank has put automated teller machines in McDonald's restaurants, gas stations and Bangkok convenience stores. It has staffed minibranches inside supermarkets. It is even sending customer-service representatives into the aisles to sell credit cards, mutual funds and mortgages.

The approach is attracting some new customers. Supa Kumpiyaphon, a 24-year-old finance-company employee, was shopping with friends after work this week when she spotted a colorful Bank of Asia counter in Tops Supermarket. Stopping out of curiosity, she says, she ended up opening her first savings account with the 4,000 baht (\$103.40) she had in her pocket. And, she adds, "I got my first life insurance," referring to the free accidental

death insurance provided to account holders.

"Thai banks have observed what has happened elsewhere; globally, banks with diversified lending streams" weather the storms in better shape, says Mr. Hendrix, who joined Bank of Asia from Citibank in 1997. Consumer lending, in particular, typically offers a more predictable long-term revenue stream, he says. Both the repayment rates for consumer loans, and the profits, are generally higher than for corporate loans, he adds.

Now ABN Amro is looking to boost its retail presence in Singapore as well, offering mortgages and auto loans. One analyst estimates that in Singapore, about 1% to 2% of residential mortgages went unpaid during the crisis, whereas the rate for corporate borrowers was about 13% to 14%.

Credit-card loans to individuals showed a sharper spike; at DBS, the default rate rose threefold during the crisis to nearly 10% of total such loans. But the rate is back down to about 4%, DBS says.

"Credit-card debts and overdrafts went up, because people lost their jobs," says Danny Liu, country business manager at Citibank Global Consumer Banking in Singapore. But in many cases, people who lost their jobs were helped out financially by their family or parents, to avoid the embarrassment.

"It's a face issue, your parents, your relatives don't want you to default, so they pay," he adds.

[^ Back to Top](#)

[« Back to Results](#)

[< Previous](#) Article 10 of 107 [Next >](#)

[Publisher Information](#)

[Print](#)

[Email](#)

☐ Mark Article

[Abstract](#), [Full Text](#)

Copyright © 2004 ProQuest Information and Learning Company. All rights reserved. [Terms and Conditions](#)

[Text-only interface](#)

From: ProQuest

**This Page is Inserted by IFW Indexing and Scanning
Operations and is not part of the Official Record**

BEST AVAILABLE IMAGES

Defective images within this document are accurate representations of the original documents submitted by the applicant.

Defects in the images include but are not limited to the items checked:

- ☐ BLACK BORDERS
- ☐ IMAGE CUT OFF AT TOP, BOTTOM OR SIDES
- ☐ FADED TEXT OR DRAWING
- ☐ BLURRED OR ILLEGIBLE TEXT OR DRAWING
- ☒ SKEWED/SLANTED IMAGES
- ☐ COLOR OR BLACK AND WHITE PHOTOGRAPHS
- ☐ GRAY SCALE DOCUMENTS
- ☐ LINES OR MARKS ON ORIGINAL DOCUMENT
- ☐ REFERENCE(S) OR EXHIBIT(S) SUBMITTED ARE POOR QUALITY
- ☐ OTHER: _____

IMAGES ARE BEST AVAILABLE COPY.

As rescanning these documents will not correct the image problems checked, please do not report these problems to the IFW Image Problem Mailbox.